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Ben Tonra
UCD School of Politics and International Relations
Ben.tonra@ucd.ie

Irish Diplomacy in Time of Crisis and the Evolution of a 'European' diplomatic service[1]

Abstract

The foreign policies of several European states have been centrally engaged in national crisis management subsequent to the crisis in the euro-zone. In several instances this has included determined efforts to rebuild national credibility, intensively to engage with bilateral partners and multilateral agencies both in Europe and internationally and actively to contribute to trade promotion and the attraction of foreign direct investment as part of a programme of national economic recovery. In such a context, where a national diplomatic service is tasked with roles that can be seen to be addressing a near existential crisis for the state, what if any role does foreign policy coordination at EU level play? If such coordination played a marginal role or was non-existent, what does this say about the utility and purpose of EU foreign policy? To what extent does this necessarily delimit or define the potential added-value of the EEAS to national diplomatic services? The proposed paper will conduct a detailed analysis of Irish diplomacy in a time of crisis (2008-2014),

[1] This a draft paper submitted for comment and discussion and as such is a work in progress. Please do not cite in other published works withjout contacting the author.

assess its response to that crisis, evaluate the role of EU-level foreign policy coordination and finally offer conclusions as to what this may suggest for the future of EU foreign policy.

Diplomacy and Statecraft in European Context

Foreign policy is generally understood to be the process by which international actors pursue their interests and values within the global system and vis á vis other international actors. Diplomacy, as the practice of foreign policy, is then 'the conduct of relations between states and other entities with standing in world politics by official agents and by peaceful means' (Bull 1995:156). The role of diplomatic practitioners, in pursuit of the aforementioned policy goals, is in turn ascribed as being that of 'representation, intelligence gathering and communication' (Hocking and Spence 2002: 1). This traditional model of statecraft, rooted in centuries of relationships among sovereign rulers stretching back to the ancient world, continues to colour the practice of contemporary diplomacy up to and including the very ideas of 'ambassador' and 'embassy'. Existentially, diplomacy can also be understood as the formal mediation of relations between 'us' and 'them'.

In the contemporary world, however, this model has been challenged by forces associated with globalisation. The scale and speed of interactions across traditional geographic frontiers – through which modern states are defined – has, in some ways, made the world of diplomacy, ambassadors and embassies appear quant, even anachronistic (Neumann 2007). Who needs formal diplomatic cables on political and economic events from far flung corners of the globe if you can read the local newspapers before they hit the street, log into the live-streamed press conference, listen to the podcast interview, Skype with the relevant officials or commentators and, in extremis, be physically present in a matter of hours? What is the value of traditional statecraft in such an interconnected and integrated globe?

These forces are exponentially greater in the context of the European Union. With substantive economic and political integration across so many policy areas, the creation of an integrated, quasi-constitutional political system and the tentative construction of a distinct European public space, what residual capacity is left to national diplomatic systems? National diplomacy in a European context faces a double challenge: from within and without.

Within the European Union, the very logic of diplomatic practice is threatened. If states are truly sharing or pooling (or handing away/giving up) their sovereignty in shared institutions how does one structure relationships between multiple if diminished sovereigns in a shared sovereign space? Moreover, when so much 'international' negotiation and policy making is taking place between domestic ministries and departments, how much EU-related policy is even 'foreign' anymore? In any federal or con-federal system, of course, the sub-federal units are not normally understood to practice 'diplomacy' amongst themselves or in relation to the central government; they pursue 'politics' and politics is surely the lifeblood of any political institution – even one as complex as the EU. Indeed, in the European Union, this logic is formally pursued in the shape of the Ordinary Legislative Procedure, wherein laws proposed by the central executive are decided jointly by the European Parliament (directly elected by citizens) and the Council of Ministers (within which EU member states are represented). While the European Union is clearly a peculiar and unique amalgam of democratic and diplomatic practice, does the trajectory of its development suggest that politics will – or should – eventually eliminate statecraft (on this point see Bátora and Hocking 2009)?

For the purposes of this paper, however, the challenge that is to be addressed is that of the external. How does an entity like the European Union, within the realm of a foreign, security and defence policy governed by self-consciously sovereign actors, even begin to build a structure to represent 'itself' on the international stage? In squaring that circle, academics have had to resort to vague circumlocutions referencing a European foreign policy 'system', 'network', 'milieu', 'republic' (Hill 1996; Keukeleire and MacNaughtan 2008; White 2004; Bátora and Hocking 2009; Jørgensen 1997). However one chooses to slice it, it represents a necessarily problematic effort to graft collective foreign policy machinery onto the stems of 28 national foreign ministries and diplomatic systems.

The academic literature on the clumsily-named "European External Action Service" (EEAS) is extensive after just five years in operation. There are more than 4,000 articles, chapters, books and other publications on the subject identified by Google Scholar in the period 2010-2015. Introduced with the 2009 Lisbon Treaty, its function is to assist in the creation of a common foreign, security and defence policy, to give operational support to that policy and to represent the European Union overseas across the entire gamut of the Union's own international engagements, including trade, aid, economics, the environment, and political relations. The EEAS is headed by a dual-hatted (and again opaquely titled) High Representative for the Common Foreign and Security Policy and Vice President of the Commission (HRVP). Comprising less than 3,500 officials, distributed between HQ at the Triangle Building in central Brussels and approximately 150 bilateral and multilateral overseas missions, the EEAS has been the subject of intense and often critical scrutiny regarding its budget, organisation, structures, management and personnel policies. This before even a word is written concerning the substance of policies constructed and pursued.

The precise relationship between the EEAS and national diplomatic services has been a source of ongoing academic fascination (Hocking and Spence 2005; van Shaik 2010; Adler-NIssen 2013; Balfour and Raik 2013). With the aforementioned general pressures on national diplomacy already acute, the arrival of a new structure and additional resources ostensibly to "work in cooperation with the diplomatic services of the Member States" (European Union 2009) might reasonably have been expected to be welcomed. At the same time, there were early signs of tension. Even in introducing her proposals for the organisation and management of the new service in 2010, the HRVP, Catherine Ashton, trod on manicured diplomatic toes when she insisted that the EEAS would 'move beyond traditional 'diplomacy'' (Ashton 2010). The implication that traditional diplomacy was passé, and the irony quotes deployed to problematise the very idea of diplomacy was doubtless a device to underline that the new service was not replacing anything, but was adding a new dimension. It served also in the eyes of some, however, to suggest that the HRVP was arguing that national diplomacy itself was threatened by obsolescence. Indeed, did the very creation of the EEAS not serve that very agenda?

It is widely acknowledged that within the Convention on the Future of Europe, from which the original Constitutional Treaty derived, the defence of national foreign policy competences and national parliamentary authority over those competences were hotly debated against the ambition for an effective collective policy making and implementation structure (Bogandy 2005; Blockmans and West 2012). A variety of dynamics emerged but with the ultimate implementation of the Lisbon Treaty and its provisions for the EEAS, the essential tension remained stark: "to enhance the coherence, effectiveness and visibility of EU external action" while at the same time "not encroach(ing) upon bilateral relations and national positions" (Blockmans and West 2012: ii).

Ireland in Time of Crisis

Over the period 2008-2013 Ireland faced a near existential crisis (Donovan and Murphy 2013). GNP fell by 10 percent in the period 2008-2011, with unemployment more than doubling from 6.5 to 15 percent. Property prices collapsed by more than 50 percent, emigration trebled from 30,000 to 90,000, tax increases and salary cuts across the public service depressed average wages such that the real value of average weekly earnings fell by 11.5% from its peak in 2009 to the end of 2014. The associated collapse of tax revenues resulted in substantial year on year cuts to the annual state budget from a high of €63 billion in 2009 to €54 billion in 2013. The cost to the Irish taxpayer of bailing out the banks – and meeting the demand of the European Central Bank that all bank debtors had to be paid in full, was an additional €64 billion. That sum, nearly 40 percent of national GDP, represented a direct burden of €40,000 per Irish household.

Background

The 2008 international financial crisis had significantly reduced available credit and lending internationally. This resulted in much greater scrutiny, by both regulators and market players, of financial institutions whose growth had been built upon easy and cheap access to short-term credit. The strength of underlying asset values also came in for attention and Europe witnessed a succession of forced nationalisations, subventions and mergers among such banking and financial institutions. The Irish financial services and banking industries were badly exposed to these international forces. Having enjoyed a credit-fuelled boom over the previous decade – facilitated in part by membership of the euro-zone – Irish households were heavily invested in a booming property market at home and overseas. The property boom turned to bust as the economy slowed and access to credit all but evaporated. Irish banks, which had lent heavily in the property sector were to be crushed in a pincer movement of collapsing property asset values at home and lack of access to international credit. Despite repeated assurances that the crisis in the Irish banking sector was one of 'liquidity' rather than 'solvency', the position of several Irish banking institutions became untenable.

In the autumn of 2008 the situation became critical. Two days after the collapse of Lehman Brothers on 15 September, senior executives of Anglo Irish Bank sought but failed to secure a €7 billion loan from the Irish Central Bank. Over the weekend of 29 September, with notes due and deposit funds evaporating, the bank faced insolvency. The European Central Bank, which was providing the Irish banking sector with emergency liquidity, insisted that an outright bank failure would not be tolerated, and that no losses could be imposed on bond holders. Their expressed fear was that any such development could have systemic implications for the European banking sector as a whole and draw its stability into doubt. As a direct result, the Irish Government offered an all-encompassing guarantee of all deposits and borrowings in seven Irish banks, which at that time totalled €440 billion and represented 300 percent of Irish GNP.

That guarantee exposed the state to the full obligations of the Irish banks towards their depositors and creditors. Ultimately, as noted above, the cost was €64 billion, shouldered in its entirety by the Irish tax payer. The pressure of these obligations, including repeated cash injections to the Irish banks over 2009-2010, began to undermine confidence in the capacity of the Irish state to sustain its borrowings. The interest premium required to sell Irish bonds became unsustainable and the Irish State was forced to withdraw from international bond markets in September 2010. This immediately led to pressure, again from the European Central Bank, that Ireland enter an IMF recovery programme which it did on 21 November as part of a 'troika' arrangement in partnership with the IMF, the European Central Bank and the European Commission. That programme, which totalled loans of €85 billion (€35 billion in bank support and €50 billion in fiscal support to the government) and a substantial fiscal readjustment, came to an end in December 2013.

The Diplomatic Response

Over 2008 and 2009 reputational damage to the Irish state was increasing exponentially. The near collapse of key Irish banks, their bailout and ultimate nationalisation served to draw into question the basic credibility of Irish governance and regulation. International media tripped over themselves to characterise Ireland's cautionary tale for their audiences; "Liechtenstein on the Liffey" (the Guardian), "Reykjavik-on-Liffey" (the Economist), "A Terrible Bust is Born" (the New York Times) and "Erin go Broke" (the New York Times). As one senior political figure put it "You could not read an article in the international press (on Ireland) that did not feature a photograph of a dying horse in a ghost (housing) estate"

All of this built strongly on a pre-existing narrative of poor local financial regulation as far back as 2005 when the New York Times had branded Ireland and its International Financial Services Centre (IFSC) the "Wild West of European finance" (The New York Times 1 April 2005) and after the Irish-based outlets of two German banks (Sachsen LB and Depfa Bank) had had to be bailed out in 2007/2008 to the tune of a combined €52 billion. Ireland's crisis, of course, was not unique and had to be placed within a much larger context. Here, the arrival of Ireland to membership of the club of 'PIGS' was critical.

Colleagues have written elsewhere about how heuristic devices such as the 'PIGS' acronym can colour – even shape – real-world policy responses (Brazys and Hardiman 2015). Suffice to say, the demotion of Ireland from the European premier leagues (near highest per capital GDP; highest annual growth rates, low inflation, etc.) hit Irish policy makers hard. The acronym of 'PIGS' had been recycled from the early to mid 1990s. Then it had referenced Portugal, Italy, Greece and Spain – the traditional EU Cohesion Four countries – into a quasi cultural/economic expression. The addition of Ireland (to create the PIIGS acronym) in 2009 undermined the culturally specific 'sun, sea, sand and siesta' quality of the former usage but remained faithful to a longer standing European socio-cultural economic division. By early 2009, reputational damage to Ireland was ascribed as having direct economic consequences with the Taoiseach, Brian Cowen, insisting that the state was facing into a battle for its very economic stability (Belfast Telegraph 27 April 2009).

In early 2009, the outlines of a diplomatic response to these pressures were being drawn together. In January, the Minister for Foreign Affairs, Michael Martin, set up the Promoting Ireland Abroad Division, within his Department, comprising 15 officials whose task it was to monitor the foreign press in its economic reporting on Ireland and then to assist diplomats in spreading a positive economic and political message in their host countries. Their role was described as being "the ears, the voice and the eyes of Ireland overseas". (Oireachtas 2009). The Global Irish Economic Forum was also established as means for the Irish State to engage with the Irish Diaspora overseas; again to spread a positive message on Ireland but also to leverage that Diaspora in terms of identifying economic opportunities, networking and promoting trade and inward investment. The first of these biennial conferences was held in September 2009 with embassies encouraged to facilitate similar local networks.

Like all public sector agencies, the Department of Foreign Affairs was itself placed directly in the line of budgetary cuts. A major and detailed report on potential public sector savings proposed to slash the diplomatic network from an already modest 76 overseas missions [2]to 55 for a net saving of €14 million per year (Department of Jobs, Enterprise and Innovation 2009). Part of the logic deployed was to piggy-back on the newly established European External Action Service overseas as well as to rationalise the bilateral diplomatic network within the European Union. The 2010 Swedish decision to close its embassy in Dublin as part of its own efforts to refocus Swedish diplomacy was used by both sides in the subsequent debate. In the event, the Department and its minister managed to retain the network at the expense of a further thinning of overseas missions such that more than half of resident Irish missions had just one or two diplomats. The Department also began posting more junior colleagues (First Secretaries) overseas as ambassadors and made further substantial non-pay savings.

The nadir of the collapse in Ireland's international reputation had yet to arrive but did so with the forced withdrawal of Ireland from international bond markets in the autumn of 2010 and the subsequent negotiation of an €85 billion bailout through the IMF, EU and ECB 'troika'. The fact that the state was now officially bankrupted and that it had visibly lost its economic sovereignty, was a substantial and near-existential shock to the Irish body politic. Privately, Irish officials and diplomats stressed the cataclysmic impact on Ireland's international reputation. In all interviews, these officials repeatedly refer to their very personal impressions of 'embarrassment', of being 'ashamed' and even a sense of ignominy, arising from the bailout. Irish diplomacy itself had also been traduced; with diplomats over the period of 2008-2010 instructed to sell the message that Irish banks were solvent, the state's economic foundations sound and that Ireland was full funded and had no need for any IMF bailout. This remained the case even in the hours before the announcement of what came to be known as the Troika programme on 21 November 2010. One senior diplomat notes that in attending subsequent meetings in Brussels, she was palpably aware of her EU colleagues looking at her in a different light – or at least feeling a shift in their attitudes. In interviews, diplomats and

[2] For the sake of comparison at the time; Denmark (121 overseas missions), Netherlands (158 overseas missions)

officials feared that Ireland would be forever relegated to the EU's poor periphery and might for a generation be seen as '…a European Argentina without the flair.'

In some political and diplomatic quarters too, there was also anger, a sense that the ECB had bounced the Irish State into a Troika programme by threatening to withdraw Emergency Liquidity Assistance (ELA) but at the same time only after driving the exchequer into that cul de sac by forcing the State to take on the full burden of bank recapitalisation and repayment in full to all bank bond holders.

Following the General Election of 2011, initiatives towards reputational repair accelerated. In a briefing to its new Minister, senior officials in the Department of Foreign Affairs reported that the most immediate challenge he faced was the rehabilitation of Ireland's international reputation. This was described as having political, diplomatic and economic import. Politically, Ireland had to rebuild bridges. The hubris of the Celtic Tiger years, the 'whiff of arrogance' that had permeated Irish politics towards the European Union all had to be addressed. In addition, the long slow death of the outgoing coalition government – with nearly half of serving Ministers declaring their intention of not returning to parliament – meant that in the closing months of that government many EU council meetings proceeded without Irish ministerial representation. Diplomatically too ground had to be regained, first in establishing credibility with officials from the new Troika institutions and second in winning back credibility in national capitals where Irish diplomats had been sent selling a message that had been proven to be – and which was suspected at the time as having been – palpably false. Irish diplomacy had been wrong footed and undermined with, in words of one diplomat, a 'serious collapse in national credibility'. Finally, in economic terms, the loss of reputation had also had an impact on potential investment decisions even as the very solidity of the euro zone and Ireland's place therein was drawn into question. The Department's memo to its incoming minister underlined "the importance of restoring confidence in Ireland and its economy by raising exports and inward investment through proactive engagement and delivering targeted messages."

Over the course of six days negotiating a the new coalition's programme for government, the Fine Gael and Labour parties, agreed structural reforms in the bureaucracy underpinning Irish foreign policy. Reflecting broader EU-wide developments arising directly from the Lisbon Treaty, the former EU Division – and 30 of its staff – were transferred to the Department of the Taoiseach from the Department of Foreign Affairs. The new EU Division there would support the Taoiseach and government in pursuing its EU strategy within the new European Council structures as well as ensuring better cross- departmental cooperation. In his memo to staff announcing the change, the Secretary General of the Department of Foreign Affairs insisted that the move "responded to the evolution of EU institutional arrangements and practices in the wake of the Lisbon Treaty." (cited in O'Brennan 2012) Significantly, a new Trade and Promotion Division was created within the Department and the title of the Department amended explicitly to include a trade function in the new Department of Foreign Affairs and Trade (DFAT).

Perhaps most significantly, however, the Department of Foreign Affairs and Trade was brought into the heart of national economic management. Because the incoming leader of the Labour Party, the junior coalition partner, had chosen the foreign policy portfolio (in part because he saw reputational rehabilitation as a key to national recovery) this was perforce linked to the office of Tánaiste or Deputy Prime Minister. As the chair of cabinet's newly created Economic Management Committee (known locally as the 'war cabinet'), the Department of Foreign Affairs and Trade now had a seat at the table where national economic policy was being constructed.

Twin tracks; Reputation and Recovery

The programme for Government affirmed a determination to "restore Ireland's standing as a respected and influential member of the European Union as part of the wider international community". In the short to medium term this entailed several specific measures.

The Minister, fulfilling a pledge in the new government's published policy programme, immediately convened a conference of all Irish Ambassadors. These and other senior officials spent two days in intense briefings and discussions in Dublin to map out the position of the Irish State, to agree on primary messaging and a strategy for its communication. This was driven by several key points: that Ireland would continue to fulfil all conditions and targets of the troika programme, that Ireland was returning to economic growth and, critically, that Ireland would retain its 12.5 percent corporation tax rate. This last was seen as central to the prospect for new inward investment and economic growth, not least since in several quarters in the EU, the 'price' suggested for EU 'solidarity' in the troika programme was a harmonisation of that rate to a higher European average. According to press reports on the diplomatic conference, the Minister was quoted as saying that "the country's small but effective foreign service had played a key role in asserting and protecting Irish sovereignty since the foundation of the State, and now it was being called on to rescue its economic sovereignty." (Irish Times 1 June 2011).

According to senior officials, the Department was ready and waiting to engage in just a programme of strategic economic messaging. As well as benefiting from the credibility and energy of a new political administration, the Department set about scoring some tangible early successes – reaching deep into their bank of political capital. At an early stage the Minister and Department had to decide whether or not to host a second Global Irish Economic Forum – promised, but thus far unplanned. The new Minister gave it the green light and the Department moved to get the event up and running and to establish a strong infrastructure for follow up. Securing Bill Clinton to attend the event was a major coup – as was his subsequent agreement host a 2012 Invest in Ireland follow up event in New York with 30 'big beasts' from the US corporate world to look at Ireland's medium term economic recovery and to disseminate the government's settled message on corporate tax policy.

That external facing diplomatic engagement was matched by an inward facing engagement with EU partners. Ireland's concrete EU diplomatic goals centred upon renegotiation of aspects of the original Troika bailout, including interest rates, and dealing with the outstanding promissory notes issued to prop up the by now defunct Anglo Irish Bank. This was folded into a new narrative of Ireland fulfilling its obligations and taking the hard decisions. It was also predicated by the reminder to European partners that the Irish taxpayer had shouldered in its entirety the recapitalisation burden of Irish banks, even as the Union was now devising new structures which assumed that private bond holders would have bear their share of costs of future bank recapitalisations. Several successes in this agenda culminated at the June 2012 European Council Summit which noted that "The Eurogroup will examine the situation of the Irish financial sector with the view of further improving the sustainability of the well-performing adjustment programme." At least in Irish eyes, this statement was seen as opening the possibility for retrospective EU recapitalisation; and the partial lifting of the bank debt burden from Irish taxpayers

The Department and its minister also pursued a broad multilateral agenda in rehabilitating Ireland's reputation. Early in his tenure, the Minister had to decide whether or not to pursue election to the UN Human Rights Council for the term 2013-2016. There was substantial pressure on Ireland to withdraw from the contest. Placed in the 'group of death', Ireland was battling for one of three seats alongside Germany, Sweden and Greece – and a late entry from the US. An abundance of caution recommended an early and elegant withdrawal from the contest, lest Ireland be defeated and suffer further reputational damage. In the event, the minister elected to proceed and the department mobilised its resources, securing election with 124 votes, against a US total of 127 and a German score of 125.

Ireland's presidency-in-office of the OSCE in 2012 and its subsequent presidency of the EU Council of Ministers in the first half of 2013 were both seen and used as further opportunities for rehabilitation. In the OSCE, the Irish hosted two large multilateral conferences on internet freedom and conflict resolution respectively which were well received as were Irish efforts to progress a variety of diplomatic initiatives to address frozen conflicts in Europe. For its part, the 2013 Irish EU council presidency was critical (Laffan 2014). Within the theme of "stability, jobs and growth" the Irish presided over 50 ministerial Council meetings and chaired nearly 2,500 EU events in all. This activity resulted in agreement on over 200 policy commitments, including 80 legislative proposals. Among these, Irish ministers secured a landmark agreement on the multiannual financial framework (MFF), the launch of negotiations on the transatlantic trade and investment partnership (TTIP) and a suit of measures to secure better economic governance in the euro zone area. For the minister and his team, these multilateral engagements meant that for 2-3 years at the bottom of the Irish recovery, Irish ministers and officials occupied a central role in the European political space. While the formats and substance of the many meetings and conferences changed, it was centred on European foreign ministers, allowing the Irish to 'carry on conversations from one meeting to another' and allowing them intensively to rebuild key relationships in a comparatively short space of time.

As regards the substance of economic recovery, the Department was also a key player. According to a 2013 parliamentary review, "The over-riding task of the Department of Foreign Affairs and Trade has been the contribution it can make to recovery" (Joint Committee, 2013). As noted above, the Department was placed at the heart of economic planning by virtue of the fact that its minister was also Deputy Prime Minister and leader of one of the two coalition parties. The Department's Secretary General therefore sat with his Minister on the cabinet's Economic Management Committee, while the senior official managing that committee and leading the EU Division in the Taoiseach's Department was appointed from the Department of Foreign Affairs and Trade and reported back to the Foreign Minister.

More broadly, with its new title and additional trade promotion duties, the Department also found itself at the coal face of economic and trade policy. The Department now chaired the Export Trade Council becoming, de facto, the coordinating department for the country's overseas trade and investment efforts. This body was given responsibility for working with a wide variety of national trade and economic agencies and to coordinate their international promotional efforts. This was most often achieved through up to 18-20 ministerial overseas trade missions each year. This was further reinforced through the institutionalisation of the 350-strong Global Irish Network and the biennial meetings of the Global Irish Economic Forum. These explicitly commercial/trade activities were also linked into cultural and artistic promotional activities overseas, with a very special focus on leveraging the annual St. Patrick's Day activities in cities around the world.

As part of the Department's sharper focus on trade and investment goals, a further review of the diplomatic network was undertaken. In 2009, the Special Group on Public Service Numbers and Expenditure Programmes had recommended slashing the diplomatic network from 76 to 55 overseas missions – at least in part with a view to exploiting potential savings arising from the establishment of the European External Action Service. In late 2011, following a slimming down across the network, just three missions were eventually closed; those in Tehran, Timor-Leste and the Holy See. In 2013 the Department published, in line with other Government Departments and agencies, a comprehensive value for money and spending review. In the Department's case this focused on the bilateral diplomatic network within the European Union. In presenting that report to cabinet, departmental officials were well aware that such occasions were an opportunity for other Ministers and departments to 'take a swing'. Similar exercises on the part of other departments and agencies had been described as 'blood baths', either where ministers had been poorly briefed or where colleagues around the cabinet table were determined to score points at colleagues' expense.

In the case of the Department's 2013 Value-for-Money and Policy Review of Ireland's Bilateral Diplomatic Missions in European Union Member States (Department of Foreign Affairs and Trade 2014), both the Minister and the Department's Secretary General had steeled themselves for just this sort of 'third degree'. There had already been regular press reports, based on Freedom of Information requests, which had outlined in great detail the expenses, allowances, costs and life styles of Irish diplomats overseas at a time of national retrenchment. Everything from building and maintenance costs, to school fees, flights and even the make and year of registration of vehicles attached to embassies were detailed. In the event, however, the conversation at cabinet became a somewhat surreal experience during which minister after minister catalogued the ways – significant and minor – by which Irish diplomats and officials overseas had accommodated and assisted the representation of Irish interests above and beyond the call of duty. The stories included the ambassador who had spent 36 hours at a border crossing to ensure the safe passage of a container load of fresh Irish produce, the embassy premises opened at short notice over a weekend to facilitate a meeting on a potential investment project, the out-of-hours consular supports offered… all these and more were noted. As the official report stated and the anecdotes illustrated, "The response to the economic and financial crisis which engulfed the country demonstrated the value of strong bilateral ties with fellow member states in the European Union and beyond" (Department of Foreign Affairs and Trade 2014). In early 2014, the Irish Government announced its intention to open five new embassies; at the Holy See, in Bankok, Jakarta, Zagreb and Nairobi and three new consulates for Hong Kong, Austin and Sao Paulo all at a net cost of €4.7 million

EU Coordination

Over a period where the fiscal viability, regulatory capacity and effective governance of a European Union member state was at issue and when the very viability of the European Union and the survival of the euro zone currency union was in question, how did the national diplomatic service of that state liaise with that of the Union's new European External Action Service?

They didn't.

According to Irish ministers and officials there was no formal cooperation, consultation or even briefing between the two services. In the greatest near existential crisis faced by the Irish state since the outbreak of conflict in Northern Ireland in 1969, the Department of Foreign Affairs and Trade and the European External Action Service simply had nothing to say to one another. At one level, perhaps, this may come as no surprise. A great deal of Irish diplomacy was directed within the Union, towards both partner capitals as well as well as the EU institutions, where the EEAS has no function or role. At the same time, however, one might reasonably have assumed that the EEAS would be mobilised and briefing in third country capitals in support of one of its own member states. In the dozen or so interviews conducted for this research, no evidence of this exists. In fact, where Irish and EU diplomacy did intersect in third capitals, the respective briefings were, as often as not, in competition with one another.

In the early phases of the crisis, Irish diplomats were to be found both overseas and in EU capitals, combating adverse briefings coming from EU institutions, national capitals and market commentators. Later, in the aftermath of the formal IMF-EU Troika bailout, Irish diplomats actively promoted the economic messaging from Dublin, even where this countered well-established lines of the EU's own narratives on bank stability, economic governance, future of the euro zone, bank recapitalisation, the desirability of 'burning bondholders' and taxation policy. For their part, the diplomatic chatter from EEAS missions and delegations generally focused on the credibility of the euro system – with a sometimes explicit implication that the system's survival trumped that of any individual member thereof (GREXIT etc).

Nowhere in the Irish case is this more evident than in the debate surrounding corporate taxation policy. One of the core messages disseminated from Dublin was that the Irish corporate tax regime was transparent, fair and permanently low. Irish ministers, diplomats and officials were at pains to point out that while headline corporate tax rates among EU Member states made the Irish regime look like an outlier the *effective rates* (once a variety of national rebates, concessions, etc. were factored in) were much closer in alignment. The Irish, therefore, rejected vigorously claims that they presided over any kind of 'tax haven' alongside various small Caribbean islands and European duchies. In Washington and elsewhere, however, the EEAS was working alongside and within other international agencies to pursue tax transparency, reporting and information sharing. When the tax arrangements of certain US multinationals hit the headlines and legal tax avoidance strategies such as the 'Double Irish with a Dutch sandwich' came to light, the respective briefings coming from Brussels and Dublin were strikingly different in both tenor and substance.

At the same time these differences shouldn't be overblown. In general terms, the Irish export-led economic recovery visible to date was, at least in part, a function of reinforcing European policies.

Irish leadership on securing the start of the aforementioned TTIP negotiations is a case in point but market access to China, the ECB's determination to do 'what it takes' to save the euro zone and new economic and banking rules in Europe were all part of the structural underpinnings to Ireland's recovery as the fastest growing European economy in 2015.

Conclusions

This paper offers something of a cautionary tale in respect of assumptions that the European Action External Service offers significant added value to the diplomatic services of the member states. It underscores the reality that at a time of crisis, member states are likely to be left to their own devices to defend and to promote critical national interests and values. In the Irish case this related specifically to the economic stability and credibility of the state – even as a member in good standing of the euro zone. The fact that the Irish never sought and never received support in third capitals for these efforts through the EEAS and as often as not found themselves briefing to distinctly different ends, is emblematic. Yes, the EEAS was in its infancy; yes, the EEAS is not geared towards that kind of diplomatic role and yes, the EEAS' functions are delimited in support of the HRVP. And yet, where a national diplomatic service is tasked with addressing a near existential crisis for the state, is it not extraordinary that there is little or no policy coordination at EU level vis á vis the rest of the world?

If the EEAS, as the Union's diplomatic service, is incapable of aiding/supporting or even liaising with a member state facing such near existential challenges, how is its utility to member states to be framed?

Moreover, in the context of explicit challenges to the post Cold War security order in Europe, what lessons are to be drawn by member states regarding the capacity of the EEAS and the Union more broadly to address more traditional security threats directed against them? In an environment where 'hybrid' warfare is deployed, where civil disruption is fomented and where instability may be the goal rather than the outcome of conflict, the need for an active, engaged and committed national diplomatic service appears all the more acute – and a responsibility that does not lend itself to be shared or pooled within a structure such as the EEAS.

In the Irish case, the EEAS was initially seen (albeit from *outside* the Department of Foreign Affairs) as an opportunity to rationalise the diplomatic network and to exploit synergies at a net saving to the Irish exchequer. As the 2008-2013 crisis illustrates, however, the utility of a dedicated, national diplomatic service has never been seen as greater and is illustrated by the fact that at a time of ongoing fiscal retrenchment, the Irish state has embarked on a substantial expansion of its diplomatic network outside the Union and has reaffirmed its intention to maintain a full bilateral diplomatic network within the Union.

Outside the frame of crisis too, there are significant doubts as to the added value of the EEAS to member states. As we have seen above, the trade and investment support services provided by the Department of Foreign Affairs and Trade have been placed at the centre of the Department's role – and are widely seen as delivering to a national agenda of recovery and rehabilitation. The *mise-en-scène* offered above of cabinet ministers trading stories about how well they had been accommodated in pursuing overseas opportunities illustrates the tangible and indeed costly nature of such supports. This, taken together with run-of-the-mill consular services, is clearly now the lifeblood of the Irish diplomatic service; the bread and butter drivers for DFAT budgets into the future. Moreover, they are not easily transferred or shared within an EEAS structure.

Why then, might one not consider leaving these service functions to national foreign services and allow the EEAS to focus on the high-end, high-politics roles that the Lisbon Treaty formally ascribes to the HRVP? While outside the immediate scope of this paper, impressions garnered over the course of its research suggest otherwise.

Adler-Nissen has written persuasively on the symbolic power of diplomacy, the definition of ‘diplomats’ and the ways by which this is conceived and constructed. In the case of the Irish diplomatic service, there is considerable pride in that role and a determination to maintain its distinctiveness – in terms of recruitment, career progression, skill development and job profile. Of critical importance to that role conception is active and high-profile engagement in what is seen as the stuff of international diplomacy. In the Irish government’s latest strategy review of Irish foreign policy, for example, five ’signature policies’ are adumbrated; combating hunger and poverty, the pursuit of human rights, disarmament, peacekeeping and conflict resolution (Department of Foreign Affairs and Trade 2015). In such a context, therefore, the prospect of the Irish diplomatic service substantially ceding policy ground in such areas to the EEAS and limiting itself to functional-service roles in trade, investment and consular affairs is slim. The later may be needed to pay the bills and generate the budget but the former policy areas are at core of the self definition of Irish diplomacy and indeed to Irish foreign policy.

In, sum this paper suggests that the scope for the EEAS to provide genuine added value to the member states is indeed limited. If, in time of crisis, national diplomatic services are the first and largely only port of call on which sovereign member states can truly rely, then the scope for a Union-level service is largely limited to offering policy support and implementation to the HRVP. The extent to which this actually becomes ‘diplomacy’ is in turn limited to by centrality of national sovereignty within the Union and the weakness of ‘solidarity’ within that Union. In the interim, the EEAS is destined to a marginal role.

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